

Amendment No. 1 to SB0907

Johnson
Signature of Sponsor

AMEND Senate Bill No. 907*

House Bill No. 992

by deleting all language after the enacting clause and substituting instead the following:

SECTION 1. This act shall be known and may be cited as the "Transportation Network Company Services Act."

SECTION 2. Tennessee Code Annotated, Title 55, Chapter 12, is amended by adding the following language as a new section:

55-12-141.

(a) As used in this section:

(1) "Digital network" means any online-enabled application, software, web site, or system offered or utilized by a transportation network company that enables the prearrangement of rides with transportation network company drivers;

(2) "Personal vehicle" means a vehicle that is used by a transportation network company driver and is:

(A) Owned, leased, or otherwise authorized for use by the transportation network company driver; and

(B) Not a taxicab, limousine, or for-hire vehicle;

(3) "Prearranged ride" means the provision of transportation by a driver to a rider, beginning when a driver accepts a ride requested by a rider through a digital network controlled by a transportation network company, continuing while the driver transports a requesting rider, and ending when the last requesting rider departs from the personal vehicle. A prearranged ride does not include

Amendment No. 1 to SB0907

Johnson
Signature of Sponsor

AMEND Senate Bill No. 907*

House Bill No. 992

transportation provided using a taxi, limousine, or other for-hire vehicle regulated pursuant to § 7-51-1003;

(4) "Transportation network company" means a corporation, partnership, sole proprietorship, or other entity operating in this state that uses a digital network to connect transportation network company riders to transportation network company drivers who provide prearranged rides. A transportation network company shall not be deemed to control, direct, or manage the personal vehicles or transportation network company drivers that connect to its digital network, except where agreed to by written contract;

(5) "Transportation network company driver" or "driver" means an individual who:

(A) Receives connections to potential passengers and related services from a transportation network company in exchange for payment of a fee to the transportation network company; and

(B) Uses a personal vehicle to offer or provide a prearranged ride to riders upon connection through a digital network controlled by a transportation network company in return for compensation or payment of a fee; and

(6) "Transportation network company rider" or "rider" means a person or persons who use a transportation network company's digital network to connect with a transportation network driver who provides prearranged rides to the rider in the driver's personal vehicle between points chosen by the rider.

(b) On and after January 1, 2016, a transportation network company driver or transportation network company on the driver's behalf shall maintain primary automobile insurance that recognizes that the driver is a transportation network company driver or otherwise uses a vehicle to transport passengers for compensation and covers the driver while the driver is logged on to the transportation network company's digital network or while the driver is engaged in a prearranged ride.

(c) The following automobile insurance requirements shall apply while a transportation network company driver is logged on to the transportation network company's digital network but is not engaged in a prearranged ride:

(1) Primary automobile liability insurance in the amount of at least fifty thousand dollars (\$50,000) for death and bodily injury per person, one hundred thousand dollars (\$100,000) for death and bodily injury per incident, and twenty-five thousand dollars (\$25,000) for property damage;

(2) The automobile liability insurance required under this section shall comply with § 56-7-1201; and

(3) The coverage requirements of this subsection (c) may be satisfied by any of the following:

(A) Automobile insurance maintained by the transportation network company driver;

(B) Automobile insurance maintained by the transportation network company; or

(C) Any combination of subdivisions (c)(3)(A) and (B).

(d) The following automobile insurance requirements shall apply while a transportation network company driver is engaged in a prearranged ride:

(1) Primary automobile liability insurance that provides at least one million dollars (\$1,000,000) for death, bodily injury, and property damage;

(2) The automobile liability insurance required under this section shall comply with § 56-7-1201; and

(3) The coverage requirements of this subsection (d) may be satisfied by any of the following:

(A) Automobile insurance maintained by the transportation network company driver;

(B) Automobile insurance maintained by the transportation network company; or

(C) Any combination of subdivisions (d)(3)(A) and (B).

(e) If insurance maintained by a driver under subsection (c) or (d) has lapsed or does not provide the required coverage, insurance maintained by a transportation network company shall provide the coverage required by this section beginning with the first dollar of a claim and have the duty to defend such claim.

(f) Coverage under an automobile insurance policy maintained by the transportation network company pursuant to this section shall not be dependent on a personal automobile insurer first denying a claim, nor shall a personal automobile insurance policy be required to first deny a claim.

(g) Insurance required by this section may be placed with an insurer authorized to do business in this state under title 56 or with a surplus lines insurer eligible under title 56, chapter 14.

(h) Insurance satisfying the requirements of this section shall be deemed to satisfy the financial responsibility requirements for a motor vehicle under this chapter while a driver is logged on to the transportation network company's digital network or while the driver is engaged in a prearranged ride; provided, however, nothing in this section shall relieve a motor vehicle driver not logged on to the transportation network company's digital network, or not engaged in a prearranged ride from the financial responsibility requirements for a motor vehicle under this chapter.

(i) A transportation network company driver shall carry proof of coverage satisfying subsections (c) and (d) at all times during the driver's use of a vehicle in connection with a transportation network company's digital network. In the event of an accident, a transportation network company driver shall provide this insurance coverage information to the directly involved parties, automobile insurers, and investigating police officers, upon request made pursuant to § 55-12-139. Upon such request, a transportation network company driver shall also disclose to directly involved parties, automobile insurers, and investigating police officers, whether the driver was logged on to the transportation network company's digital network or on a prearranged ride at the time of the accident.

(j) The transportation network company shall disclose, in writing, to a transportation network company driver the following before the driver is allowed to accept a request for a prearranged ride on the transportation network company's digital network:

(1) The insurance coverage, including the types of coverage and the limits for each coverage that the transportation network company provides while the transportation network company driver uses a personal vehicle in connection with a transportation network company's digital network; and

(2) That the transportation network company driver's personal automobile insurance policy might not provide any coverage while the driver is logged on to the transportation network company's digital network or is engaged in a prearranged ride, depending on its terms.

SECTION 3. Tennessee Code Annotated, Title 56, Chapter 7, Part 11, is amended by adding the following language as a new section:

56-7-1118.

(a) As used in this section:

(1) “Digital network” means any online-enabled application, software, web site, or system offered or utilized by a transportation network company that enables the prearrangement of rides with transportation network company drivers;

(2) “Personal vehicle” means a vehicle that is used by a transportation network company driver and is:

(A) Owned, leased, or otherwise authorized for use by the transportation network company driver; and

(B) Not a taxicab, limousine, or for-hire vehicle;

(3) “Prearranged ride” means the provision of transportation by a driver to a rider, beginning when a driver accepts a ride requested by a rider through a digital network controlled by a transportation network company, continuing while the driver transports a requesting rider, and ending when the last requesting rider departs from the personal vehicle. A prearranged ride does not include transportation provided using a taxi, limousine, or other for-hire vehicle regulated pursuant to § 7-51-1003;

(4) “Transportation network company” means a corporation, partnership, sole proprietorship, or other entity operating in this state that uses a digital network to connect transportation network company riders to transportation network company drivers who provide prearranged rides. A transportation network company shall not be deemed to control, direct, or manage the personal vehicles or transportation network company drivers that connect to its digital network, except where agreed to by written contract;

(5) “Transportation network company driver” or “driver” means an individual who:

(A) Receives connections to potential passengers and related services from a transportation network company in exchange for payment of a fee to the transportation network company; and

(B) Uses a personal vehicle to provide a prearranged ride to riders upon connection through a digital network controlled by a transportation network company in return for compensation or payment of a fee; and

(6) “Transportation network company rider” or “rider” means a person or persons who use a transportation network company’s digital network to connect with a transportation network driver who provides prearranged rides to the rider in the driver’s personal vehicle between points chosen by the rider.

(b) Insurers that write automobile insurance in this state may exclude any and all coverage afforded under the policy issued to an owner or operator of a personal vehicle for any loss or injury that occurs while a driver is logged on to a transportation network company’s digital network or while a driver provides a prearranged ride. This right to exclude all coverage may apply to any coverage included in an automobile insurance policy including, but not limited to:

- (1) Liability coverage for bodily injury and property damage;
- (2) Uninsured and underinsured motorist coverage;
- (3) Medical payments coverage;
- (4) Comprehensive physical damage coverage; and
- (5) Collision physical damage coverage.

(c) The exclusions in subsection (b) shall apply notwithstanding any requirement under title 56 or under title 55, chapter 12. Nothing in this section requires that a personal automobile insurance policy provide coverage while the driver is logged on to the transportation network company’s digital network, while the driver is engaged in a

prearranged ride, or while the driver otherwise uses a vehicle to transport passengers for compensation.

(d) Automobile insurers that exclude coverage as described in subsection (b) shall have no duty to defend or indemnify any claim expressly excluded. Nothing in this section shall invalidate or limit an exclusion contained in a policy, including any policy in use or approved for use in this state prior to the effective date of this act that excludes coverage for vehicles used to carry persons or property for a charge or available for hire by the public.

(e) An automobile insurer that defends or indemnifies a claim against a driver that is excluded under the terms of its policy as described in subsection (b) shall have a right of contribution against other insurers that provide automobile insurance to the same driver in satisfaction of the coverage requirements of § 55-12-141 at the time of loss.

(f) In a claims coverage investigation, transportation network companies and any insurer potentially providing coverage under § 55-12-141 shall cooperate to facilitate the exchange of relevant information with directly involved parties and any insurer of the transportation network company driver, if applicable, including the precise times that a transportation network company driver logged on and off of the transportation network company's digital network in the twelve-hour period immediately preceding and in the twelve-hour period immediately following the accident and disclose to one another a clear description of the coverage, exclusions, and limits provided under any automobile insurance maintained under § 55-12-141.

(g) Nothing in this section shall preclude an insurer from providing coverage for a transportation network company driver's vehicle, if it so chooses to do so by contract or endorsement.

SECTION 4. Tennessee Code Annotated, Title 65, Chapter 15, is amended by adding the following language as a new part:

65-15-301. As used in this part:

(1) “Digital network” means any online-enabled application, software, web site, or system offered or utilized by a transportation network company that enables the prearrangement of rides with transportation network company drivers;

(2) “Personal vehicle” means a vehicle that is used by a transportation network company driver and is:

(A) Owned, leased, or otherwise authorized for use by the transportation network company driver; and

(B) Not a taxicab, limousine, or for-hire vehicle;

(3) “Prearranged ride” means the provision of transportation by a driver to a rider, beginning when a driver accepts a ride requested by a rider through a digital network controlled by a transportation network company, continuing while the driver transports a requesting rider, and ending when the last requesting rider departs from the personal vehicle. A prearranged ride does not include transportation provided using a taxi, limousine, or other for-hire vehicle regulated pursuant to § 7-51-1003;

(4) “Transportation network company” means a corporation, partnership, sole proprietorship, or other entity operating in this state that uses a digital network to connect transportation network company riders to transportation network company drivers who provide prearranged rides. A transportation network company shall not be deemed to control, direct, or manage the personal vehicles or transportation network company drivers that connect to its digital network, except where agreed to by written contract;

(5) “Transportation network company driver” or “driver” means an individual who:

(A) Receives connections to potential passengers and related services from a transportation network company in exchange for payment of a fee to the transportation network company; and

(B) Uses a personal vehicle to offer or provide a prearranged ride to riders upon connection through a digital network controlled by a

transportation network company in return for compensation or payment of a fee; and

(6) “Transportation network company rider” or “rider” means a person or persons who use a transportation network company’s digital network to connect with a transportation network driver who provides prearranged rides to the rider in the driver’s personal vehicle between points chosen by the rider.

65-15-302.

(a) Except as otherwise provided in this part, transportation network companies are governed exclusively by this part.

(b) A transportation network company shall not be deemed to own, control, operate, or manage the personal vehicles used by transportation network company drivers and is not deemed to control or manage transportation network company drivers.

(c) A transportation network company is not subject to any regulations passed by a municipality or other governmental entity governing private passenger for-hire vehicles pursuant to § 7-51-1003 and is not subject to the authority of the department of safety to regulate passenger operations pursuant to part 1 or 2 of this chapter. A transportation network company driver is not a chauffeur as defined in § 55-50-102(7) and is not subject to the requirements relating to commercial driver licenses or commercial vehicles covered under title 55, chapter 50.

(d) Commercial service airports shall have authority to adopt reasonable standards, regulations, procedures, and fees for conducting transportation network services on airport property to promote the safe and efficient use of limited airport resources.

65-15-303. A transportation network company shall maintain an agent for service of process in this state.

65-15-304. A transportation network company operating in this state shall:

(1) Provide riders with any applicable rates charged for a prearranged ride and the option to receive an estimated fare before the rider enters the driver's motor vehicle;

(2) Use a software application or web site to display a picture of the driver and the license plate number of the motor vehicle utilized for providing the prearranged ride before the rider enters the driver's motor vehicle;

(3) Transmit an electronic receipt to the rider within a reasonable time after the completion of a prearranged ride that lists:

(A) The origin and destination of the trip;

(B) The total time and distance of the trip; and

(C) An itemization of the total fare paid, if any;

(4) Implement a zero-tolerance policy on the use of drugs or alcohol by a driver while a driver provides a prearranged ride or is logged into the transportation network company's digital network but is not providing a prearranged ride, and provide notice of this policy on its web site;

(5) Maintain:

(A) Individual trip records for each driver for at least one (1) year from the date each trip was provided by the driver; and

(B) Driver records for no less than one (1) year from the date on which a driver's activation on the transportation network company's digital network has ended;

(6) Conduct, or have a third party conduct, a local and national criminal background check on any potential driver that includes a multistate criminal records locator or other similar commercial nationwide database with validation;

(7) Conduct a national sex offender registry search for any potential driver;

(8) Obtain motor vehicle records for any potential driver;

(9) Comply with § 55-12-141; and

(10) Comply with § 56-7-1118(f).

65-15-305.

(a) A transportation network company operating in this state shall establish procedures to report any complaint about a driver with whom a rider was matched and whom the rider reasonably suspects was under the influence of drugs or alcohol during the course of the trip.

(b) Upon receipt of a rider complaint alleging a violation of the zero-tolerance policy set out in § 65-15-304(4), the transportation network company shall immediately suspend the driver's access to the transportation network company's digital network, and shall conduct an investigation into the reported complaint. The suspension shall last the duration of the investigation.

(c) The transportation network company shall maintain records relevant to a rider complaint made pursuant to this section for a period of at least two (2) years from the date that a complaint is received by the transportation network company.

65-15-306. A transportation network company operating in this state shall not permit any individual to act as a driver on its digital network who:

(1) Has been convicted of more than three (3) moving violations in the prior three-year period, or one (1) major violation in the past three-year period, including, but not limited to, attempting to evade the police, reckless driving, or driving on a suspended or revoked license;

(2) Has been convicted, within the past seven (7) years, of driving under the influence of drugs or alcohol, fraud, any sexual offense, use of a motor vehicle to commit a felony, a crime involving property damage, theft, any crime involving acts of violence, or acts of terror;

(3) Is a match in the national sex offender registry;

(4) Does not possess a valid driver license;

(5) Does not possess proof of registration for any motor vehicle used to provide a prearranged ride;

(6) Does not possess proof of personal automobile liability insurance that satisfies the requirements of title 55, chapter 12, for any motor vehicle used to provide a prearranged ride; or

(7) Is not at least nineteen (19) years of age.

65-15-307. A driver shall not solicit or accept street hails.

65-15-308.

(a) The transportation network company shall adopt a policy prohibiting solicitation or acceptance of cash payments from riders and notify drivers of the policy.

(b) Drivers shall not solicit or accept cash payments from riders.

(c) Any payment for a prearranged ride shall be made only electronically using the transportation network center's digital network or software application.

65-15-309.

(a) The transportation network company shall adopt a policy of nondiscrimination with respect to passengers and potential passengers and notify transportation network company drivers of the policy.

(b) Drivers shall comply with all applicable laws regarding nondiscrimination against passengers or potential passengers.

(c) Drivers shall comply with all applicable laws relating to accommodation of service animals.

(d) A transportation network company shall not impose additional charges for providing a prearranged ride to persons with physical disabilities because of those disabilities.

(e) A transportation network company shall provide riders an opportunity to indicate whether they require a wheelchair-accessible vehicle. If a transportation network company cannot arrange wheelchair-accessible service in any instance, it shall direct the rider to an alternate provider of wheelchair-accessible service, if available.

(f)

(1) If an accident occurs involving a motor vehicle that is being used to provide a prearranged ride, including when the driver is logged into or otherwise using the transportation network company's digital network, the transportation network company shall provide documentation, upon request by a law enforcement officer, that the driver was logged into the transportation network company's digital network at the time of the accident.

(2) A transportation network company shall comply with any law enforcement investigation involving a transportation network driver or any prearranged ride, including, but not limited to, whether the driver was logged into the transportation network company's digital network.

SECTION 5. This act shall take effect upon becoming a law, the public welfare requiring it.